

House File 698 - Introduced

HOUSE FILE _____
BY UPMEYER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing a township clerk self=insurance program and a
2 township clerk self=insurance fund, and providing an effective
3 date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2622YH 83
6 md/sc/24

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1 1 Section 1. Section 64.12, Code 2009, is amended to read as
1 2 follows:

1 3 64.12 TOWNSHIP CLERK == EXPENSE OF BOND == SELF=INSURANCE
1 4 PROGRAM.

1 5 1. All bonds required of the township clerk shall be
1 6 furnished and paid for by the township.

1 7 2. A township clerk self=insurance fund is created in the
1 8 state treasury under the control of the commissioner of

1 9 insurance to be used pursuant to the requirements of this
1 10 section. Moneys in the fund shall be deposited in an

1 11 interest-bearing account. Moneys deposited into the fund are
1 12 not subject to section 8.33. Notwithstanding section 12C.7,

1 13 interest or earnings on moneys in the fund shall be credited
1 14 to the fund. Moneys in the self=insurance fund are not

1 15 subject to transfer, appropriation, or reversion to any other
1 16 fund or any other use except for the purposes authorized in

1 17 this section and pursuant to rules adopted to implement this
1 18 section.

1 19 3. Notwithstanding any provision of law to the contrary,
1 20 all moneys paid for bonds required of each township clerk

1 21 within the state shall be collected by the county auditor and
1 22 paid to the treasurer of state for deposit into the township

1 23 clerk self=insurance fund.

1 24 4. The commissioner of insurance shall establish a
1 25 township clerk self=insurance program and shall adopt rules

1 26 pursuant to chapter 17A for implementation of the program.
1 27 The program shall include but is not limited to policies and

1 28 procedures for the investigation and defense of claims against
1 29 township clerks, the administration and management of the

1 30 township clerk self=insurance fund, including annual
1 31 calculations for the amount of the bond required on behalf of

1 32 each township clerk, and the payment of claims to cover all or
1 33 any part of a township clerk's liability resulting from a

1 34 claim. The program shall include coverage and provisions that
1 35 are required by law in insurance policies for the type of risk

2 1 that the program is intended to cover.

2 2 5. a. The commissioner of insurance shall pay claims to
2 3 cover all or any part of the liability of a township clerk

2 4 upon the written approval of two-thirds of the township clerks
2 5 within the state.

2 6 b. The costs of the self=insurance program shall be paid
2 7 out of the township clerk self=insurance fund.

2 8 6. The township clerk self=insurance program shall not
2 9 constitute a waiver of the defense of governmental immunity as

2 10 to the exceptions listed in section 670.4.

2 11 7. The township clerk self=insurance program is not
2 12 subject to regulation as insurance under chapters 506 through

2 13 523C. However, the township clerk self=insurance program is
2 14 subject to the requirements of section 509A.14 and rules

2 15 adopted pursuant to that section.

2 16 Sec. 2. Section 331.502, subsection 5, Code 2009, is
2 17 amended to read as follows:

2 18 5. Have custody of the official oaths and bonds of county
2 19 and township officers and custody of the official oaths of

2 20 township trustees as provided in section 64.23. The auditor
2 21 shall collect bonds received for township clerks and pay such
2 22 amounts to the treasurer of state for deposit into the
2 23 township clerk self=insurance fund pursuant to section 64.12.

2 24 Sec. 3. Section 505.8, Code 2009, is amended by adding the
2 25 following new subsection:

2 26 NEW SUBSECTION. 18. The commissioner of insurance shall
2 27 implement and administer the township clerk self=insurance
2 28 program pursuant to section 64.12.

2 29 Sec. 4. EFFECTIVE DATE. This Act takes effect on July 1,
2 30 2010.

2 31 EXPLANATION

2 32 This bill establishes a township clerk self=insurance fund
2 33 under the control of the commissioner of insurance. The bill
2 34 requires all moneys paid for bonds required of each township
2 35 clerk within the state to be collected by the county auditor
3 1 and paid to the treasurer of state for deposit into the
3 2 township clerk self=insurance fund.

3 3 The bill requires the commissioner of insurance to
3 4 establish and implement a township clerk self=insurance
3 5 program. The bill requires the program to include policies
3 6 and procedures for the investigation and defense of claims
3 7 made against township clerks, the administration and
3 8 management of the township clerk self=insurance fund, and the
3 9 payment of claims to cover all or any part of a township
3 10 clerk's liability resulting from a claim. The bill also
3 11 requires that the program include coverage and provisions that
3 12 are required by law in insurance policies for the type of risk
3 13 that the program is intended to cover.

3 14 The bill provides that the commissioner of insurance shall
3 15 pay claims to cover all or any part of the liability of a
3 16 township clerk upon the written approval of two-thirds of the
3 17 township clerks in the state. The bill also provides that the
3 18 costs of the self=insurance program shall be paid out of the
3 19 fund.

3 20 The township clerk self=insurance program is not a waiver
3 21 of the defense of governmental immunity as to the exceptions
3 22 listed in Code section 670.4. Under the bill, the township
3 23 clerk self=insurance program is subject to the requirements of
3 24 Code section 509A.14, relating to self=insurance plans for
3 25 political subdivisions, and rules adopted pursuant to that
3 26 Code section.

3 27 The bill takes effect on July 1, 2010.

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